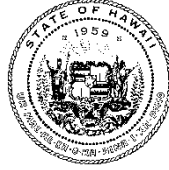


DAVID Y. IGE  
GOVERNOR



RODERICK K. BECKER  
Comptroller

AUDREY HIDANO  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY OF  
RODERICK K. BECKER, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEES  
ON  
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS  
AND  
COMMERCE, CONSUMER PROTECTION, AND HEALTH  
ON  
THURSDAY, FEBRUARY 9, 2017  
1:30 P.M.  
CONFERENCE ROOM 229

S.B. 887

RELATING TO ENHANCED 911 SERVICES

Chairs Nishihara and Baker, Vice Chairs Wakai and Nishihara, and members of the Committees, thank you for the opportunity to provide testimony on S.B. 887. The Department of Accounting and General Services (DAGS) supports the measure.

We support this measure for the following reasons:

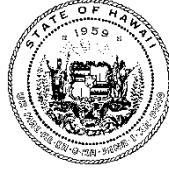
1. This bill will create parity between postpaid and prepaid cellular phone customers. It is estimated that approximately 10% to 20% of cellular phone customers use prepaid cellular phones. Although the prepaid cellular phone customers benefit from the use of the enhanced 911 features, they are currently exempt from the \$0.66/month per line surcharge. As a result, postpaid cellular

phone customers subsidize the prepaid cellular phone customers' portion of the cost for the acquisition, implementation and maintenance of hardware and software that provide enhanced 911 functionality.

2. Approximately 39 states have enacted legislation to assess 911 call surcharges on prepaid cell phone customers.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR



RODERICK K. BECKER  
Comptroller

AUDREY HIDANO  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
COURTNEY TAGUPA, EXECUTIVE DIRECTOR  
ENHANCED 911 BOARD  
TO THE  
SENATE COMMITTEE ON PUBLIC SAFETY INTERGOVERNMENTAL, AND MILITARY  
AFFAIRS  
AND  
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH  
ON

Thursday, February 9, 2017  
1:30 P.M.  
CONFERENCE ROOM 229

S.B. 0877

RELATING TO ENHANCED 911 SERVICES

Chairs Nishihara and Baker and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 887. I am Courtney Tagupa, Executive Director of the E (Enhanced) 911 Board, representing the Board who supports SB 887. By way of background, the E911 Board is comprised of thirteen voting members representing emergency responders from the four counties, consumer and IT government representatives, and private sector communications industry representatives.

The Board seeks to remedy the E911 Special Fund's inequity between users of VOIP, and/or wireless service who post pay 66 cents a month fees for 911 access, and purchasers of prepaid cards who do not pay any fee for the same 911 access. SB 887 proposes that prepaid card users pay 2.64% at the point of sale that support E911 operations at each counties' PSAPs (public safety answering points/or dispatch call centers).

In determining a fair rate for Hawaii's prepaid card 911 fee, we reviewed 39 states and found that prepaid card rates vary, as do their economic and population demographics. We sought guidance from CTIA (Cellular Telecommunications Industry Association) and the E911 Board decided on a 1.5% prepaid card fee be charged instead of 2.64%. At 12 months of prepaid card usage, the surcharge would total about \$4.95 per year.

In consideration of low income prepaid card purchasers, a purchase of ten minutes or \$5 or less, would be exempt from the 1.5% fee. We also reference FCC's "Lifeline" program that provides monthly stipends for wireless access to those persons who are income eligible for other federal programs: Medicaid, federal housing and food stamps programs. To address retailers' concerns for startup costs and preparations for administering the prepaid card fee, the effective date (July 1, 2018) allows a year for implementing this fee. The retailer may deduct and retain 3 percent of prepaid wireless E911 surcharges collected from consumers for administrative purposes.

While prepaid card revenues cannot be projected at this time, an estimated revenue of \$1.2M would augment the E911 Fund. Annual post-paid collections are projected at \$10M. Funds are then disbursed to the county PSAPs for their continuous improvements to their operations as described in the 5 Year Strategic Budget.

Statewide, wireless communications continues to grow each year. In 2016, 75% of 911 calls were via wireless communications. For the past two years, the four counties have upgraded their dispatch systems to receive **text messages**, which support remote areas like Hawaii County's Puna District where wireless transmissions can text but not call, which support the hearing impaired and persons in domestic threat or criminal peril.

The counties' dispatch centers have benefitted greatly in daily operations with costly equipment, routine maintenance, and software upgrades that result in a robust wireless communications system. I share recent events of this collective effort.

During December, Honolulu Fire Dispatch received a wireless 911 call from stranded hikers who were rescued by chopper from Windward District's Ka'aawa Ridge Trail. The wireless call was routed via a Hawaii Kai cell tower and HFD was able to accurately plot the hiker's location, and confirm the overall effectiveness of Hawaii's E911 upgraded system.

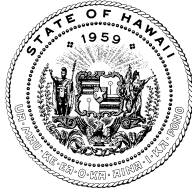
In November, Kauai veteran dispatcher Lavina Taovao received a 911 emergency call that assisted with a live-birth. She talked and walked the distressed parties through emergency procedures while medical support was enroute. (MidWeek cover story).

While these two events are special, they are also ordinary daily work performed by our well trained dispatchers and emergency responders who benefit from robust equipment and upgrades from the E911 Fund. We ask for your continued support as wireless emergency communications expand into photo and video transmissions in the near future.

Mahalo for your time and consideration of our requests. Please contact me for further questions that you may have.

courtney.tagupa@hawaii.gov  
(808)391-7971

DAVID Y. IGE  
GOVERNOR



TODD NACAPUY  
CHIEF INFORMATION  
OFFICER

**STATE OF HAWAII**  
**OFFICE OF ENTERPRISE TECHNOLOGY SERVICES**

P.O. BOX 119, HONOLULU, HI 96810-0119  
Ph: (808) 586-6000 | Fax: (808) 586-1922  
ETS.HAWAII.GOV

Testimony of  
**TODD NACAPUY**  
Chief Information Officer, State of Hawai'i

Before the

SENATE COMMITTEES ON  
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS  
AND  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

Thursday, February 9, 2017; 1:30 p.m.  
State Capitol, Conference Room 229

SENATE BILL NO. 887  
RELATING TO ENHANCED 911 SERVICES

Chairs Nishihara and Baker, Vice Chair Wakai, and Members of the Committee:

I am Todd Nacapuy, Chief Information Officer (CIO) of the State of Hawai'i, as a member of the Enhanced 911 Board testifying in **support** of Senate Bill No. 887 Relating to Enhanced 911 Services.

The Enhanced 911 Fund supports 911 dispatch services that summon police, fire and emergency medical services provided by the City and counties. Every telephone user, except those using prepaid wireless phones, now pays a monthly surcharge of 66 cents that goes into this fund to help State and local governments deploy new technologies in serving and protecting the public. Using this fund, Hawai'i was among the first states to adopt Text-to-911 and to start planning for Next Generation 911 services.

This bill will close the loophole that exempts prepaid wireless phone users from paying their share. We believe these surcharges should be imposed equitably for all phone users who may call and benefit from 911 services across the State.

Thank you for this opportunity to testify in support of this measure.

**TESTIMONY OF THE HAWAII POLICE DEPARTMENT**

**SENATE BILL 887**

**RELATING TO ENHANCED 911 SERVICES**

BEFORE THE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY  
AFFAIRS

AND

BEFORE THE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

DATE : Thursday, February 9, 2017

TIME : 1:30 P.M.

PLACE : Conference Room 229  
State Capitol  
415 South Beretania Street

PERSON TESTIFYING:

Police Chief Paul K. Ferreira  
Hawaii Police Department  
County of Hawaii

(Written Testimony Only)

February 8, 2017

Senator Clarence K. Nishihara  
Chairman and Committee Members  
Committee on Public Safety, Intergovernmental and Military Affairs  
Senator Rosalyn H. Baker  
Chairperson and Committee Members  
Committee on Commerce, Consumer Protection, and Health  
415 South Beretania Street, Room 229  
Honolulu, Hawai`i 96813

**Re: SENATE BILL 887, RELATING TO ENHANCED 911 SERVICES**

Dear Senators Nishihara and Baker:

The Hawai`i Police Department supports Senate Bill 887, with its purpose being to establish a prepaid wireless E911 surcharge per retail transaction of prepaid wireless telecommunications service at the point of sale; which basically eliminates the exemption for prepaid wireless connections.

We believe this legislation as written will serve to ensure an act of equity amongst consumers of wireless communications devices in terms of needed revenue for enhanced 911 (E911) services attendant to these devices. In essence, the wireless communications industry similar to the computer industry is constantly incorporating and deploying, newer, faster, and more efficient technology into the field.

In response, the Public Safety Answering Points (PSAPS) must also constantly upgrade their equipment in order to take advantage of the increasing capabilities of these devices as well as to meet public expectations for the technology. The recent movement towards the Next Generation 911 upgrading of PSAPS is a prime example. These upgrades will allow PSAPS to receive text messages, photos, and video from wireless phones.

In that the E911 funding is utilized for necessary upgrades, we believe the rise in use of prepaid wireless connections should be attendant with elimination of the exemption in the best interests of the communities served by the various PSAPS in the state of Hawai`i.

It is for these reasons, we urge this committee to approve this legislation.

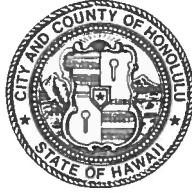
Thank you for allowing the Hawai`i Police Department to provide comments relating to Senate Bill 887.

Sincerely,

PAUL K. FERREIRA  
POLICE CHIEF

POLICE DEPARTMENT  
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813  
TELEPHONE: (808) 529-3111 · INTERNET: www.honolulu.org



KIRK CALDWELL  
MAYOR

LOUIS M. KEALOHA  
CHIEF

CARY OKIMOTO  
JERRY INOUE  
DEPUTY CHIEFS

OUR REFERENCE WB-AS

February 9, 2017

The Honorable Clarence K. Nishihara, Chair  
and Members  
Committee on Public Safety, Intergovernmental,  
and Military Affairs  
The Honorable Rosalyn H. Baker, Chair  
and Members  
Committee on Commerce, Consumer  
Protection, and Health  
State Senate  
Hawaii State Capitol, Room 229  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Nishihara and Baker and Members:

SUBJECT: Senate Bill No. 887, Relating to Enhanced 911 Services

I am William Baldwin, Major of the Communications Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD supports Senate Bill No. 887, Relating to Enhanced 911 Services, with the suggested amendment to set the unspecified prepaid wireless enhanced 911 surcharge at 1.5 percent.

This bill provides fair and equitable contribution to the funding of the 911 system. Currently, prepaid wireless consumers are exempt from paying the 1.5 percent surcharge but have the same access to the 911 system. The collection and payment obligation of charges to support the 911 system should be in parity with other wireless consumers.

The HPD urges you to support Senate Bill No. 887 with the suggested amendment.

Thank you for the opportunity to testify.

APPROVED:

A handwritten signature in black ink, appearing to read "Cary Okimoto", is written over a horizontal line.

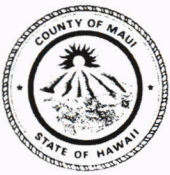
Cary Okimoto  
Acting Chief of Police

Sincerely,

A handwritten signature in black ink, appearing to read "Major William Baldwin", is written in a cursive style.

William Baldwin, Major  
Communications Division





**ALAN M. ARAKAWA**  
MAYOR

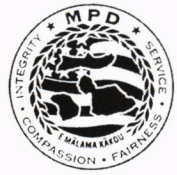
OUR REFERENCE  
YOUR REFERENCE

# **POLICE DEPARTMENT**

## **COUNTY OF MAUI**

55 MAHALANI STREET  
WAILUKU, HAWAII 96793  
(808) 244-6400  
FAX (808) 244-6411

February 9, 2017



**TIVOLI S. FAAUMU**  
CHIEF OF POLICE

**DEAN M. RICKARD**  
DEPUTY CHIEF OF POLICE

The Honorable Senator Clarence K. Nishihara, Chair  
Senator Glenn Waki, Vice Chair  
And Members of the Committee of Public Safety,  
Intergovernmental and Military Affairs

The Honorable Senator Rosalyn H. Baker, Chair  
Senator Clarence K. Nishihara, Vice Chair  
And Members of the Committee of Commerce,  
Consumer Protection and Health

The Senate  
State Capitol  
Honolulu, Hawaii 96813

Re: Senate Bill No. 887, RELATING TO ENHANCED 911 SURCHARGES

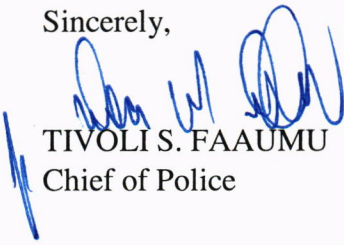
Dear Chair Nishihara, Chair Baker, and Members of the Committees:

The Maui Police Department supports S.B. No. 887 which seeks to collect the E911 surcharge from prepaid wireless consumers at the retail point of sale.

The collection of prepaid wireless E911 surcharge is very important in order to sustain adequate funding for enhanced 911 statewide. E911 surcharges should be imposed in a fair and equitable manner with respect to prepaid mobile service. The E911 surcharge should be imposed upon all consumers of telecommunication services that have the ability to access E911. This is an important funding mechanism to assist state and local governments in sustaining E911 systems. The benefits to the public is a comprehensive, efficient, and coordinated statewide E911 system serving all citizens that is funded in a fair and equitable manner for all.

The Maui Police Department asks for your support of S.B. No. 887.

Sincerely,

  
TIVOLI S. FAAUMU  
Chief of Police



**ATTN LATE TESTIMONY SB 887**

February 2, 2017

Honorable Clarence K. Nishihara  
Chair, Senate Committee on Public Safety, Intergovernmental and Military Affairs  
Hawaii State Capitol  
Room 214  
Honolulu, HI 96813

Honorable Glenn Wakai  
Vice Chair, Senate Committee on Public Safety, Intergovernmental and Military Affairs  
Hawaii State Capitol  
Room 216  
Honolulu, HI 96813

**RE: Senate Bill 887, 9-1-1 Prepaid Surcharge – Support with Amendment**

Dear Chair Nishihara and Vice Chair Wakai:

On behalf of CTIA, the trade association for the wireless communications industry, I am writing to express our support for Senate Bill 887 (related to the imposition of the 9-1-1 surcharge on prepaid wireless services) with amendment. We are supportive of the bill with the 9-1-1 prepaid fee at 1.5% at the point-of-sale. CTIA supports a 1.5% assessment, as it is equivalent to the amount that postpaid customers currently pay. This creates equity between postpaid and prepaid wireless customers.

CTIA and the wireless industry are strong supporters of the public safety community and believe a fully-funded and efficient 9-1-1 system is in the best interest of the people of Hawaii. With the proliferation of 9-1-1 calls made from wireless devices, it is that much more imperative that those who benefit from access to the 9-1-1 system are also contributors. As such, CTIA supports the public policy that prepaid wireless consumers should be paying a 9-1-1 surcharge.

Due to the unique business model of prepaid wireless services, the only way to accurately capture the 9-1-1 surcharge is to collect the surcharge at the point-of-sale at the time of the retail transaction. The wireless industry believes that model legislation endorsed by the National Conference of State Legislatures (NCSL) in 2009 is the appropriate method in which to accurately capture this surcharge. This legislation has been adopted in 38 states and the District of Columbia.

In closing, CTIA supports equity amongst prepaid and postpaid wireless consumers. In order to reach that end-result, we are supportive of Senate Bill 887 with a 9-1-1 rate of 1.5% at the point-of-sale.

Thank you for the opportunity to submit testimony in favor of Senate Bill 887 with amendment.

Sincerely,

A handwritten signature in cursive script that reads "Bethanne Cooley". The signature is written in black ink and is positioned above the typed name.

Bethanne Cooley  
Director, State Legislative Affairs  
CTIA



**TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF THE HAWAII ASSOCIATION FOR JUSTICE (HAJ) IN OPPOSITION TO S.B. 887**

February 9, 2017

To: Chairman Clarence K. Nishihara and Members of the Senate Committee on Public Safety, Intergovernmental, and Military Affairs and Chairwoman Rosalyn H. Baker and Members of the Senate Committee on Commerce, Consumer Protection and Health:

My name is Bob Toyofuku and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in opposition to S. B. 887, relating to Enhanced 911 Services.

S.B. 887 addresses a surcharge that wireless carriers may charge consumers when selling prepaid wireless communication devices. Section (k) of the proposed measure removes liability from the provider or seller in conjunction with their assisting law enforcement even if their conduct is unreasonable, reckless, grossly negligent or intentional. This provision is unnecessary as the provider and sellers are protected under the law unless their conduct is negligent, which is conduct that is unreasonable under the circumstances. They would not be liable for actions that are deemed reasonable under the circumstances under this proposal. We request that it be stricken in its entirety on page 4, lines 1-6.

~~(k) No provider or seller shall be liable for damages to any person resulting from or incurred in connection with the provision of any lawful assistance to any investigative or law enforcement officer of the United States or any political subdivision, in connection with any lawful investigation or other law enforcement activity by such law enforcement officer.~~

Thank you for allowing me to testify regarding this measure. Please feel free to contact me should you have any questions or desire additional information.



3610 Waialae Ave  
Honolulu, HI 96816  
P: (808) 592-4200  
E: tyamaki@rmhawaii.org

**TESTIMONY OF TINA YAMAKI  
PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
February 9, 2017**

**Re: SB 887 RELATING TO ENHANCED 911 SERVICES**

Good afternoon Chair Nishihara, Chair Baker and members of the Senate Committee on Public Safety, Intergovernmental & Military Affairs and the Committee Commerce, Consumer Protection and Health. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

The Retail Merchants of Hawaii acknowledges the importance being able to access the 911 service during an emergency from a land line or mobile device. However, we are strongly opposed to SB 887 Relating to Enhanced 911 Services. This measure essentially places an additional 2.64% tax on prepaid wireless services at the point of sales. This would drive up the cost of not only the item but cost of doing business. Although the retailers would be able to collect 3% of the surcharge, it would still not be enough to cover all of the expenses incurred to collect, remit and report on this E911 surcharge.

We are also concerned that those on a fixed income like the elderly may be burdened with this additional fee. Furthermore, smaller locally owned brick and mortar establishments like mom and pop type stores face constant and intense competition from other retailers and online sellers. Many are unable to absorb the additional cost this would incur by having to collect and report yet another regulated fee.

We urge you to hold this measure. Mahalo for this opportunity to testify.



Joyce Masamitsu  
Director, Public Policy & Legal  
Affairs  
Pacific and North Central Markets  
15505 Sand Canyon Avenue  
Irvine, CA 92618

February 2, 2017

Honorable Clarence K. Nishihara  
Chair, Senate Committee on Public Safety, Intergov'tal & Military Affairs Hawaii  
State Capitol  
Room 214  
Honolulu, HI 96813

Honorable Rosalyn H. Baker

**RE: Senate Bill 887, 9-1-1 Prepaid Surcharge – Support with Amendment**

Dear Chairs Nishihara and Baker and Members of the Committees,

I submit this testimony on behalf of Verizon in Support of Senate Bill 887 with the amendment to adjust the Enhanced 9-1-1 fee for prepaid wireless services to a 1.5% rate of assessment. Verizon supports the 1.5% rate as the closest equivalent to the current fee imposed on postpaid users. This bill creates equity between postpaid and prepaid wireless subscribers.

SB 887 captures the key components of the model legislation adopted by the National Conference of State Legislators. It aligns with bills already passed by 38 states and the District of Columbia for the collection of the Enhanced 911 fees using the "Point of Sale" methodology.

Chairs Nishihara and Baker and members of the Committees, for the above reasons, Verizon requests your vote to SUPPORT SB 887.

Thank you for your consideration.



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 7, 2017 3:22 PM  
**To:** PSMTestimony  
**Cc:** victor.ramos@mpd.net  
**Subject:** \*Submitted testimony for SB887 on Feb 9, 2017 13:30PM\*

**SB887**

Submitted on: 2/7/2017

Testimony for PSM/CPH on Feb 9, 2017 13:30PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Victor K. Ramos	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 3, 2017 3:13 PM  
**To:** PSMTestimony  
**Cc:** mendezj@hawaii.edu  
**Subject:** \*Submitted testimony for SB887 on Feb 9, 2017 13:30PM\*

**SB887**

Submitted on: 2/3/2017

Testimony for PSM/CPH on Feb 9, 2017 13:30PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 8, 2017 10:32 PM  
**To:** PSMTestimony  
**Cc:** geryll@hawaii.edu  
**Subject:** \*Submitted testimony for SB887 on Feb 9, 2017 13:30PM\*

**SB887**

Submitted on: 2/8/2017

Testimony for PSM/CPH on Feb 9, 2017 13:30PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Geryll Anthony Agno	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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